

1 JUDGE SIPPEL: All right. It's received -- Mr.
2 Shook?

3 MR. SHOOK: No objection.

4 JUDGE SIPPEL: It's received into evidence as
5 Adams 67.

6 (The document referred to,
7 previously identified as Adams
8 Exhibit No. 67, was received
9 in evidence.)

10 MR. COLE: And according to my notes, Adams 68 and
11 69, which are the first two Conestoga documents, were
12 received subject to their being supplemented with
13 nonredacted pages, which has been done.

14 JUDGE SIPPEL: That's what my notes reflect.

15 MR. COLE: I am also showing that Adams 70, which
16 is kind of the third portion or the third element of the
17 Conestoga documents, judgment was withheld on that. And to
18 the extent that 70 is not in, I would like to move 70 in at
19 this point based on Mr. Gilbert's testimony this morning.

20 JUDGE SIPPEL: Any objection?

21 MR. SOUTHARD: No objection, Your Honor.

22 JUDGE SIPPEL: Mr. Shook?

23 MR. SHOOK: I have none.

24 JUDGE SIPPEL: Then Adams Exhibit 70 is received
25 in evidence at this point. You are right. It was

1 identified on June 12th but it has not been received. Now
2 it is received.

3 MR. COLE: Thank you, Your Honor.

4 (The document referred to,
5 previously identified as Adams
6 Exhibit No. 70, was received
7 in evidence.)

8 MR. COLE: And last but not least, is Adams 88,
9 which is kind of a follow-up, I believe, from Ms. Swanson's
10 testimony. I'm just not sure what the status of it is, but
11 as long as I'm cleaning up my exhibits I may as well try and
12 do that right now.

13 JUDGE SIPPEL: What's the number?

14 MR. COLE: Adams 88. It's the very last one in
15 the new red folder at this point, and it's Ms. Swanson's
16 memorandum to Kevin, and the last three pages of it are the
17 three pages from the Parker letter to Ms. Gaulke which we
18 then, I think, identified or the Bureau, I believe, is going
19 to put in as a stand-alone exhibit.

20 JUDGE SIPPEL: Eighty-eight, I have that --
21 according to my notes, I have that marked and received on
22 the 19th of June.

23 MR. COLE: Well, if it has been received, then I'm
24 happy and that's fine, Your Honor.

25 JUDGE SIPPEL: Does anybody have anything that

1 conflicts with that in your notes?

2 MR. SOUTHARD: I don't have a note on it at all,
3 Your Honor.

4 JUDGE SIPPEL: Well, I'm one up on you then.

5 MR. SOUTHARD: Although I must say that for
6 purposes of -- Your Honor, I'm not sure what purpose is
7 served by the current 88 as opposed to what's --

8 JUDGE SIPPEL: What's going to be --

9 MR. SOUTHARD: -- the full letter as you read it
10 and it was redacted.

11 JUDGE SIPPEL: Well, I have it marked and received
12 and I don't see it doing any harm. The focus is obviously
13 going to be on the -- you know, what's going to come in
14 through Mr. Shook.

15 Why, does somebody have a problem with this?

16 MR. SOUTHARD: I don't recall the document off the
17 top of my head.

18 MR. SHOOK: Can we clarify what Adams 88 actually
19 is? We're not on the same page literally with what it is.

20 JUDGE SIPPEL: All right. I know what it is. It
21 starts with an interoffice memo from Ms. Swanson to Kevin
22 dated April 13, 1999. It attaches a series of typewritten
23 notes, her notes re Telemundo questions, and then at the end
24 of this are two pages from Mr. Parker's letter.

25 MR. COLE: I believe there are three pages, Your

1 Honor.

2 JUDGE SIPPEL: I take that back, I'm correct.
3 There are three pages of what appears to be Mr. Parker's
4 letter. And this was information that had been turned over
5 by Dow Lohnes in connection with the May 10th subpoena.

6 MR. HUTTON: Was it received in connection with
7 Ms. Swanson's testimony?

8 JUDGE SIPPEL: I'm sure it was. She's the only
9 one that could have authenticated it, to the extent that she
10 could authenticate it.

11 MR. SHOOK: All right. For some mysterious
12 reason, I have marked as Adams Exhibit 88 a fax cover sheet
13 that indicates a fax from Ms. Gaulke, not Ms. Swanson, to
14 Kevin Reed, followed by a two-page letter signed by Frank
15 McCracken, and directed to Ms. Gaulke.

16 MR. SOUTHARD: Which is what the court reporter
17 marked as Exhibit 88 as well. And having now reviewed this
18 particular Exhibit 88, yeah, I believe that was received in
19 evidence.

20 MR. SHOOK: Different document.

21 JUDGE SIPPEL: All right, so what's in the red
22 folder is --

23 MR. COLE: Is wrong.

24 JUDGE SIPPEL: -- wrong.

25 MR. SHOOK: It's the wrong document, Your Honor.

1 JUDGE SIPPEL: All right. Certainly, I will
2 revisit and retract my ruling with respect to Adams No. 88
3 on our determination now that that's the wrong document, and
4 you can -- I'll just ask Mr. Cole to just get the right No.
5 88 in there and we can take care of that on Monday.

6 MR. COLE: Okay, that's fine.

7 JUDGE SIPPEL: But what did you say the reporter
8 has? The reporter has -- ?

9 MR. HUTTON: -- The same document that Mr. Shook
10 had, which I do recall going into evidence.

11 MR. COLE: Yes, I recall that going into evidence,
12 I'm sure.

13 JUDGE SIPPEL: As 88?

14 MR. COLE: That I don't know.

15 JUDGE SIPPEL: That's what I have it marked as.

16 MR. SOUTHARD: And my recollection is the letter
17 that you are referring to, the last three pages of that
18 Parker letter, that was not discussed as part of Ms.
19 Swanson's testimony. It was discussed afterwards among
20 counsel --

21 MR. SHOOK: Right.

22 MR. SOUTHARD: -- with respect to having it be
23 introduced.

24 MR. COLE: Well, that's my question. I thought I
25 had it identified. There was then discussion, and before

1 anything happened the discussion kind of went forward to the
2 point where there was an instruction to get the full copy of
3 the letter, at which point my -- to the extent I had any
4 intent to offer it as an exhibit kind of fell by the
5 wayside. That's why I was trying to catch up right now as
6 to where we stood and where it was, and if I need to move it
7 in or if it has been rejected or superseded by subsequent
8 events.

9 JUDGE SIPPEL: Well, let's just keep it out of the
10 record for the time being. We don't need to deal with it
11 right now.

12 I now find, yes, my work copy of the exhibits as
13 they were coming in shows Adams Exhibit No. 88 as Mr. Shook
14 has described it.

15 You say that it's been received into evidence?
16 The record reflects it's been received?

17 All right, I'll make that notation on my copy.
18 And again on Monday you can just have that -- well, you know
19 what, he's going to have to leave here with his exhibits
20 today. Can you give him a copy of it, the reporter.

21 MR. SOUTHARD: He already has it.

22 JUDGE SIPPEL: Oh, he's got it. He's straight.

23 MR. COLE: The only problem right now is your red
24 notebook, and we will --

25 JUDGE SIPPEL: What about his red notebook, the

1 reporter's red notebook?

2 MR. SOUTHARD: The court reporter's red notebook
3 appears to have the same Exhibit 88 that Mr. Shook
4 described.

5 JUDGE SIPPEL: Oh, mine is wrong.

6 MR. SOUTHARD: No, no, yours is right too. I
7 think 88 is in fact what we are all talking about.

8 MR. COLE: Okay.

9 MR. BOOTH: Your Honor, the problem is that the
10 court reporter's red notebook has the documents that the
11 court reporter had marked and received as his copies,
12 whereas in your red notebook was what we prepared today, and
13 we had mistakenly believed that the letter that Mr. Cole was
14 describing was Adams Exhibit 88, and that is why your
15 notebook contains something different from what the court
16 reporter has.

17 JUDGE SIPPEL: I see that now, and I do have my
18 own version of 88, and I'll just substitute it myself so we
19 don't have to deal with this anymore.

20 Everybody satisfied with that?

21 MR. COLE: Well, we have to deal with it because
22 we have to correct ours.

23 JUDGE SIPPEL: Right, I know that but --

24 MR. COLE: Yes.

25 JUDGE SIPPEL: -- it's the Los Alamos set that I'm

1 worried about.

2 (Laughter.)

3 MR. BOOTH: The reporter has the set of correct
4 documents.

5 JUDGE SIPPEL: All right.

6 MR. COLE: And Your Honor, I apologize for this
7 brief problem.

8 JUDGE SIPPEL: We're all set then? Does that take
9 care of all your open exhibits?

10 MR. COLE: I believe so, unless somebody's notes
11 show to the contrary, well, except for the internal Bureau
12 documents which are theoretically going to be subject to the
13 stipulation and will come in through the stipulation. Other
14 than that, everything appears to have been addressed.

15 JUDGE SIPPEL: And if you think of it in Monday
16 too, this doesn't apply to the Bureau now, but you're
17 probably going to call that Adams 89 or it's going to be
18 calling something.

19 MR. COLE: Right.

20 JUDGE SIPPEL: If you are going to sponsor it,
21 please bring a tab so you can give that to the reporter with
22 a tab.

23 MR. COLE: No problem, Your Honor.

24 JUDGE SIPPEL: Otherwise, these things do
25 disappear.

1 Okay, are we all sent then with Mr. Gilbert to
2 continue?

3 MR. COLE: Yes, Your Honor.

4 JUDGE SIPPEL: Mr. Southard.

5 MR. SOUTHARD: Thank you, Your Honor.

6 CROSS-EXAMINATION

7 BY MR. SOUTHARD:

8 Q Good afternoon, Mr. Gilbert.

9 A Good afternoon.

10 Q My name is Dennis Southard. I represent Reading
11 Broadcasting. I believe we have met before.

12 A I believe so.

13 Q You were a principal of Monroe Communication
14 Corp., were you not?

15 A Yes.

16 Q And Monroe was formed for the purpose of filing a
17 comparative renewal application for Channel 44 in Chicago?

18 A Yes.

19 Q Ultimately Monroe's application was granted the
20 license?

21 A Yes.

22 Q Monroe never actually constructed --

23 A That's not quite true.

24 Q Monroe never actually constructed the station, did
25 it?

1 A Yes.

2 Q Did you care to add something further to your --

3 A I'm not sure that they actually got the license.
4 We had -- it was settled, I think, before the actual
5 issuance of the license but I'm not sure of that right now.

6 Q Okay. Monroe never operated the station, though?

7 A Yes, they never did.

8 Q Adams was incorporated in Massachusetts; is that
9 correct?

10 A Yes.

11 MR. SOUTHARD: Your Honor, I'd like to mark as 71,
12 I think that's where we are. I believe this would be
13 Reading Exhibit 71 for identification. It's a certified
14 copy of the Articles of Incorporation of Adams
15 Communications.

16 JUDGE SIPPEL: Yes, according to my count, that
17 should be 71. The reporter has the same count.

18 MR. SOUTHARD: What would you like me to do with
19 the original, with the original stamp on it?

20 JUDGE SIPPEL: Give it to the reporter with an
21 original and one.

22 How many pages is this document? Do you have a
23 count on that?

24 MR. SOUTHARD: It's a seven-page document, Your
25 Honor.

1 JUDGE SIPPEL: Okay, the reporter will mark this
2 as Reading Exhibit 71 for identification.

3 (The document referred to was
4 marked for identification as
5 Reading's Exhibit No. 71.)

6 BY MR. SOUTHARD:

7 Q Mr. Gilbert, do you have Reading Exhibit 71 in
8 front of you?

9 A Yes, I do. Yes, I do.

10 Q Have you seen this document before?

11 A Yes.

12 Q And is this in fact the Articles of Organization
13 for Reading Broadcasting?

14 A It is.

15 MR. COLE: Objection.

16 MR. SOUTHARD: Oh, I'm sorry.

17 Adams Communications.

18 MR. COLE: Thank you.

19 THE WITNESS: Yes.

20 MR. SOUTHARD: Your Honor, I would offer these and
21 move them into evidence.

22 JUDGE SIPPEL: Would you make just a short proffer
23 as to why, what we need it for?

24 MR. SOUTHARD: It identifies the officers and
25 directors and the dates of incorporation. Mr. Fickinger,

1 for example, is identified here as the treasurer. He
2 testified earlier he was vice president.

3 JUDGE SIPPEL: As of what date then is this --
4 does this document speak? As of?

5 MR. SOUTHARD: November 23, 1993.

6 JUDGE SIPPEL: I see. Or November 22nd, it looks
7 like on the next to the last page. Yes, I see where you are
8 talking -- on the last page it's November the 23rd.

9 Any objections?

10 MR. COLE: No, Your Honor.

11 JUDGE SIPPEL: Mr. Shook?

12 MR. SHOOK: None.

13 JUDGE SIPPEL: It's received in evidence as
14 Reading 71.

15 (The document referred to,
16 previously identified as
17 Reading Exhibit No. 71, was
18 received in evidence.)

19 BY MR. SOUTHARD:

20 Q Mr. Gilbert, who is Adams' counsel with respect to
21 the corporation?

22 A I am.

23 Q You represented Adams at the time it was
24 incorporated?

25 A Yes.

1 Q And have you represented Adams with respect to
2 corporate matters throughout its existence?

3 A Yes.

4 Q When was the last board of directors meeting?

5 A In the last 60 days, there was a meeting.

6 Q Prior to that, when was -- when was the last
7 meeting prior to that?

8 A Years ago.

9 Q Were minutes held of either of these meetings?

10 A Minutes have been written up for the last meeting.
11 I assume -- I don't remember if there were minutes for the
12 first meeting or not, the organization meeting.

13 Q Who participated in the most recent meeting?

14 A Mr. Haag, Mr. Fickinger, Mr. Steinfeld, Mr. Umans
15 and myself.

16 Q Who participated in the earlier one you spoke of?

17 A Probably the original meeting, Mr. Fickinger,
18 Haag, Gilbert -- Philip Haag, Umans and Steinfeld.

19 Q Aside from those two meetings, were there any
20 other board of directors meetings?

21 A No.

22 Q Your answer is?

23 A No.

24 Q Has Adams issued stock certificates to its
25 shareholders?

1 A Yes.

2 Q And have those stock certificates been delivered
3 to the shareholders?

4 A I don't know.

5 Q Were or was the stock certificate issued to
6 Eleanor Warren?

7 A Yes.

8 Q Do you know whether she has received her
9 certificate?

10 A I don't know.

11 Q What's your relationship with Eleanor Warren?

12 MR. COLE: Objection; relevance.

13 MR. SOUTHARD: She's been identified as having
14 been involved in the work with respect to the Boston
15 application, having located the realtor. She's sort of out
16 of character with the rest of the Adams people.

17 JUDGE SIPPEL: Well, that's your assertion. Is
18 she a principal? She's a principal of the Adams group?

19 MR. SOUTHARD: She's a shareholder.

20 JUDGE SIPPEL: That makes her a principal.

21 Do you have any objection to this, Mr. Shook?

22 MR. SHOOK: I don't see how this is going to help
23 us resolve the issue at hand. And if that means I'm
24 objecting on the basis of relevance, so be it.

25 JUDGE SIPPEL: I'm going to sustain that

1 objection, I think. I think there is more to get to than
2 that.

3 BY MR. SOUTHARD:

4 Q Has Ms. Warren paid for her stock certificate?

5 A I believe she did.

6 Q Does Adams prepare annual reports?

7 A Yes.

8 Q Have those reports been regularly filed with the
9 Massachusetts Secretary of State?

10 A Yes.

11 Q Does Adams file state tax returns in
12 Massachusetts?

13 MR. COLE: Objection. Your Honor, what does this
14 have to do with the issue at hand? There is an issue at
15 hand which relates to Adams' state of mind and its intent
16 with respect to whether or not it filed an application for
17 the purpose of some improper settlement in 1994.

18 Now, I don't -- I mean, if Mr. Southard can
19 explain and offer a proffer of how his line of questioning
20 at all this morning is relevant, I'd be willing to listen to
21 it. But so far I am unable to perceive any relevance at all
22 to any of this, to the issue at hand. It's very interesting
23 and if this were a standard comparative proceeding, it might
24 be relevant, but there is an issue here that we are looking
25 at and I don't see how what he is asking is relevant to that

1 issue.

2 MR. SOUTHARD: Your Honor, Adams' state of mind
3 and the things that Adams did in preparation of its
4 application or our position is the lack of things they did
5 with respect to the preparation of the application is
6 indicative, and their conduct then beyond --

7 JUDGE SIPPEL: All right, let me -- all right, I
8 understand where you are going. You're not going to spend a
9 lot of time on this, are you?

10 MR. SOUTHARD: No, sir.

11 JUDGE SIPPEL: All right, I'll overrule the
12 objection. Go ahead.

13 BY MR. SOUTHARD:

14 Q Does Adams file state tax returns in
15 Massachusetts?

16 A I don't know. I don't think so because it's not
17 really doing business in Massachusetts. It's not doing
18 business anywhere other than proceeding in connection with
19 this application.

20 Q Are you aware that on August 31, 1998, Adams was
21 involuntarily dissolved?

22 A No.

23 MR. SOUTHARD: Your Honor, I've got a copy here of
24 a certified statement of corporate dissolution for Adams
25 Broadcasting. I would like it marked as Reading Exhibit 72.

1 JUDGE SIPPEL: What's the date on it?

2 MR. SOUTHARD: June 2, 2000.

3 JUDGE SIPPEL: The reporter will mark that for
4 identification, it's a one-page document, as Reading Exhibit
5 No. 72 for identification.

6 (The document referred to was
7 marked for identification as
8 Reading Exhibit No. 72.)

9 MR. SOUTHARD: I apologize. We do not at this
10 time have with us the original. It's in safekeeping back at
11 the office. We will substitute the copy with the originals
12 when we retrieve it.

13 JUDGE SIPPEL: Well, if there is no objection to
14 authenticity, I wouldn't bother doing that.

15 MR. SOUTHARD: Thank you, Your Honor.

16 JUDGE SIPPEL: So this has now been marked as
17 Reading 72 for identification.

18 MR. SOUTHARD: In fact, if there are no objections
19 of authenticity, we will go ahead and move it into evidence.

20 JUDGE SIPPEL: Any objection?

21 MR. COLE: I object; relevance.

22 JUDGE SIPPEL: It does to the status of the -- the
23 current status of the entity that's testifying in the Court
24 today. I think I'm going to let it come in on that alone.
25 It's only one page.

1 I'm sorry. Mr. Shook, did you share Mr. Cole's
2 view on this?

3 MR. SHOOK: With respect to this issue, yes, sir.

4 JUDGE SIPPEL: All right. Overruled. I'm going
5 to receive it into evidence as Reading 72.

6 (The document referred to,
7 previously identified as
8 Reading Exhibit No. 72, was
9 received in evidence.)

10 MR. SOUTHARD: Your Honor, I have a one-page fax
11 cover sheet from Bechtel & Cole to Howard Gilbert dated
12 October 15, 1993. I would like that marked as Exhibit 73.

13 JUDGE SIPPEL: How many pages? One page?

14 MR. SOUTHARD: One page.

15 JUDGE SIPPEL: It's a one-page document. It's a
16 letter dated October 15, 1993, from Mr. Cole to Mr. Gilbert.
17 The reporter will so mark that as Reading Exhibit 73 for
18 identification.

19 (The document referred to was
20 marked for identification as
21 Reading Exhibit No. 73.)

22 BY MR. SOUTHARD:

23 Q Mr. Gilbert, I'm sorry. Do you have Reading
24 Exhibit 73 in front of you?

25 A I do.

1 Q Do you recognize this document?

2 A I do.

3 Q Did you receive it on or about the date which is
4 reflected?

5 A I don't remember.

6 Q Do you have any reason to believe you didn't
7 receive it at this time?

8 A No.

9 Q If you could actually just read the text between
10 where it says "Howard" and then at the bottom it says,
11 "HFC," if you could just read that for us, please?

12 A You want me to read it?

13 Q Please.

14 MR. SHOOK: Your Honor, could we dispense with
15 that? I mean, we can all agree what's there.

16 JUDGE SIPPEL: The document speaks for itself in
17 terms -- do you have a question to ask on it?

18 MR. SOUTHARD: Yes, I do.

19 BY MR. SOUTHARD:

20 Q Did you submit any comments to the Commission on
21 the commercial time issue?

22 A No.

23 Q Did Adams?

24 A No.

25 JUDGE SIPPEL: Well, the document -- let me see if

1 I can just clarify this a little bit. The document is
2 addressed to you from your attorney, right?

3 THE WITNESS: Yes.

4 JUDGE SIPPEL: And it's asking -- he's indicating
5 that he's sending you a notice of inquiry issued by the
6 Commission relating to commercial time on TV stations, and
7 that's the gist of what this is, and then you've got the
8 question and answer on your side, Mr. Southard.

9 MR. SOUTHARD: Yes.

10 JUDGE SIPPEL: All right. And it does not include
11 the total of the eight pages which I take it is the notice
12 of inquiry itself?

13 MR. SOUTHARD: The exhibit does not, no.

14 JUDGE SIPPEL: The exhibit does not. All right.
15 Do you have anymore on this piece of paper?

16 MR. SOUTHARD: Other than to move its admission,
17 no.

18 JUDGE SIPPEL: Objection, Mr. Cole?

19 MR. COLE: None, Your Honor.

20 JUDGE SIPPEL: Mr. Shook?

21 MR. SHOOK: Your Honor, I'm mystified by the
22 relevance of this, but --

23 JUDGE SIPPEL: We have already had evidence on
24 this.

25 MR. SHOOK: Well, evidence that so far as I can

1 tell does not advance the ball in terms of helping us decide
2 the question at hand.

3 MR. SOUTHARD: With all due respect to Mr. Shook,
4 it seems that he's objected to everything that isn't a
5 smoking gun, and what we have here are bits of the pieces,
6 and as Mr. Shook has previously pointed out, context is
7 everything.

8 JUDGE SIPPEL: I'm going to overrule the
9 objection. I'm going to receive this into evidence as
10 Reading Exhibit 73.

11 (The document referred to,
12 previously identified as
13 Reading Exhibit No. 73, was
14 received in evidence.)

15 MR. COLE: Your Honor, may I briefly respond to
16 Mr. Southard's last comment?

17 JUDGE SIPPEL: Yes, sir.

18 MR. COLE: Mr. Shook's concern about relevance and
19 certainly the concerns that I have expressed about relevance
20 this morning arise from the fact that I certainly -- I can't
21 speak for Mr. Shook, but I certainly have no idea of what
22 Reading Broadcasting, Inc. is attempting to prove this
23 morning through whatever evidence it's showing.

24 These documents that are coming in right now were
25 not previously exchanged and I understand there is a certain

1 amount of leeway in terms of documents to be exchanged
2 beforehand in preparation for cross-examination. But I'm
3 unaware of anything, particularly in Reading's trial brief,
4 which addresses any of the matters which Mr. Southard
5 appears to be examining about and presenting to Your Honor.

6 Now, if Reading were to make a statement giving us
7 all an idea of where it's going, that might make it a little
8 bit easier for me, possibly for Mr. Shook, to understand
9 what the likely relevance or possible relevance of any of
10 these materials is.

11 But, you know, until I hear some indication of
12 what the overall picture he's trying to paint is, I'm going
13 to continue to object.

14 JUDGE SIPPEL: All right. Well, I understand. I
15 understand that this was not laid out in the detail of the
16 trial brief that -- well, it wasn't laid out in the detail
17 of the trial brief period. But this subject is -- the
18 subject matter was gone into in January. It was gone into
19 in terms of the multiple pleadings I received when the issue
20 was added, and this does relate to other evidence that's in
21 the record.

22 I think that Mr. Southard has it absolutely right.
23 It's just a small piece of a mosaic that he's trying to put
24 together. He's got the burden of proof. He's got the
25 burden of going forward on this issue, and it's only one

1 piece of paper. I think we're spending more time talking
2 about this one piece of paper. Let's just put it in the
3 record and let's go on.

4 MR. COLE: All right.

5 JUDGE SIPPEL: Let's go on.

6 BY MR. SOUTHARD:

7 Q Mr. Gilbert, if I could focus you on the challenge
8 Adams made in Massachusetts, the Marlboro challenge.

9 MR. COLE: Objection. There is no evidence
10 whatsoever that Adams made any challenge in Massachusetts.

11 MR. SOUTHARD: Absolutely. I apologize.

12 BY MR. SOUTHARD:

13 Q To the contemplated challenge in Marlboro,
14 Massachusetts, did Adams ever attempt to buy that station
15 outright?

16 A No.

17 Q Did Adams ever attempt to make a determination as
18 to the value of that station?

19 A No.

20 Q Did Adams ever attempt to determine what it might
21 cost to buy the station?

22 A No.

23 Q Did Adams make any effort to determine that
24 station's profitability?

25 A No.

1 MR. SOUTHARD: Your Honor, I have a one-page
2 letter from Steven J. Lubas (phonetic) of Conestoga to
3 Albert Gilbert dated August 8, 1996. I would like to have
4 that marked as Reading Exhibit 1 -- sorry -- Reading Exhibit
5 74 for identification.

6 JUDGE SIPPEL: The reporter will mark this as
7 Reading's No. 74 for identification.

8 (The document referred to was
9 marked for identification as
10 Reading Exhibit No. 74.)

11 BY MR. SOUTHARD:

12 Q Mr. Gilbert, do you have the exhibit in front of
13 you?

14 A Yes.

15 Q Do you recognize this exhibit?

16 A Yes.

17 Q Did you receive this letter from Mr. Lubas?

18 A Yes.

19 Q Did you receive it on or about August 8, 1996?

20 A On or about; after August 8.

21 Q Do you see at the bottom of the third paragraph,
22 it says, "At this point we have no agreement whatsoever
23 regarding this site"?

24 A Yes.

25 MR. SOUTHARD: I have a letter here from Mr.

1 Gilbert to Mr. Lubas, one-page.

2 JUDGE SIPPEL: Well, are you going to move this
3 into evidence or are we going to wait?

4 MR. SOUTHARD: I was going to do them both
5 together.

6 JUDGE SIPPEL: Okay, go ahead. Go ahead.

7 MR. SOUTHARD: Mark that for identification as
8 Reading Exhibit 75.

9 JUDGE SIPPEL: Seventy-five, it's a one-page
10 letter dated August 21, 1996, from Mr. Gilbert to Mr. Lubas
11 of Mobile Services -- I'm sorry -- Conestoga. That's going
12 to be marked for identification as Reading's No. 75.

13 (The document referred to was
14 marked for identification as
15 Reading Exhibit No. 75.)

16 BY MR. SOUTHARD:

17 Q Mr. Gilbert, do you have the exhibit in front of
18 you?

19 A Yes.

20 Q Is that your signature?

21 A Yes.

22 Q Did you compose this letter?

23 A Yes.

24 Q This letter you sent in response to Mr. Lubas'
25 letter of August 8, 1996 --

1 A Yes.

2 Q -- Exhibit 74?

3 A Mm-hmm.

4 Q Yes?

5 A Yes.

6 MR. SOUTHARD: Your Honor, I'd move both Exhibit
7 74 and Exhibit 75.

8 JUDGE SIPPEL: Any objection?

9 MR. COLE: Yes, Your Honor; relevance.

10 JUDGE SIPPEL: Let's have a proffer.

11 MR. SOUTHARD: Well, Mr. Gilbert testified earlier
12 that the reason that they didn't enter into an agreement --
13 into an option agreement until August of 1996 was because it
14 took a long time to negotiate the document.

15 And what this letter appears to indicate is, in
16 fact, the reason it was not executed until August 1996 was
17 because they seemed to just let it go, and when Conestoga
18 finally said, "Hey, we don't have an agreement," then Adams
19 woke up and there was an agreement made. But that's two
20 years.

21 JUDGE SIPPEL: Okay. Well, in a way it's kind of
22 iffy, but I'm going to overrule the objection and let it
23 come in as Reading's No. 74.

24 Now, you've got 75 also.

25 MR. SOUTHARD: Yes, sir.

1 MR. COLE: Your Honor, was Mr. Southard under oath
2 when he testified about what these documents mean?

3 JUDGE SIPPEL: Well, he's making a proffer as to
4 his description of the document and its relevance. That's
5 all I'm taking it as. The document is going to speak for
6 itself, if it does.

7 JUDGE SIPPEL: Okay, we took care of 74. What are
8 you going to do with 75 now?

9 MR. SOUTHARD: I thought we had moved them both.

10 JUDGE SIPPEL: What do you have, Mr. Reporter?
11 Identified and received for both of these?

12 THE COURT REPORTER: We haven't received them yet.

13 JUDGE SIPPEL: We haven't. Well, I had 74, I did
14 rule on the reception of 74, but I'll do it again.

15 Seventy-four has been identified and it is now
16 received in evidence on June 21st.

17 (The document referred to,
18 previously identified as
19 Reading Exhibit No. 74, was
20 received in evidence.)

21 JUDGE SIPPEL: A letter, a single page letter
22 numbered 75, that is, Reading's No. 75 for identification is
23 also received in evidence at this time as Reading's Exhibit
24 75.

25 (The document referred to,

1 previously identified as
2 Reading Exhibit No. 75, was
3 received in evidence.)

4 MR. SOUTHARD: And Your Honor, I believe this is
5 my last document.

6 JUDGE SIPPEL: All right.

7 MR. SOUTHARD: It's a one-page copy of a check
8 from Adams Communications Company to Conestoga Telephone &
9 Telegraph dated May 17, 2000. I would like that marked as
10 Reading Exhibit 76.

11 JUDGE SIPPEL: The reporter will so mark the
12 document as Reading's No. 76 for identification.

13 (The document referred to was
14 marked for identification as
15 Reading Exhibit No. 76.)

16 JUDGE SIPPEL: You may proceed now.

17 BY MR. SOUTHARD:

18 Q Mr. Gilbert, do you have the exhibit in front of
19 you?

20 A Yes.

21 Q What is this?

22 A That's a check for \$3,000.

23 Q What's it for?

24 A It's a renewal of the option.

25 MR. SOUTHARD: Move 176 into evidence, Your Honor.